



# **U.S. Department of Education Office of Inspector General**

## **Accountability for American Recovery and Reinvestment Act of 2009 Funds**

**New York State Webinar**

**Office of the Inspector General  
for Education**

**July 29, 2009**



# AGENDA

- Education Funding
- OIG ARRA Work
- Lessons Learned – Recent NY Recipient Issues



# U.S. Department of Education FACTS

For 2009, the U.S. Department of Education (ED) is providing (non-ARRA funds)...

- \$37 billion to states and school districts to improve K-12 schools and meet the special needs of students
- \$4 billion to support rehabilitation, adult education, research and development, statistics, and assessment
- \$1.5 billion in contracts for goods and services necessary to carry out its mission.



# Student Financial Assistance Programs

The Department oversees –

- More than 6,000 postsecondary institutions
- More than 3,000 lenders,
- 35 guaranty agencies
- \$21 billion in federal student aid awards, and
- An outstanding loan portfolio of over \$500 billion



# EDUCATION ARRA Funding

(in millions)

• State Stabilization	\$53,600
• Title I	\$13,000
• Special Ed	\$12,200
• Ed. Technology	\$ 650
• Voc. Rehab.	\$ 540
• Indep. Living	\$ 140
• Teacher Incentive	\$ 200
• Teacher Quality	\$ 100
• Impact Aid	\$ 100
• Homeless	\$ 70



# ARRA EDUCATION Pell Grant Funding

- **\$17.314 billion for Pell Grants** through the 2011 academic year



# New York

## EDUCATION ARRA Funding

(thousands)

• State Stabilization	\$ 3,017,797
• Title I	1,168,447
• Special Ed	817,897
• Ed. Technology	55,622
• Voc. Rehab.	25,695
• Work-Study	19,827
• Indep. Living	8,580
• Homeless	6,136
• Impact Aid	<u>620</u>
<b>Total</b>	<b>\$ 5,120,621</b>



# New York

## State Fiscal Stabilization Fund

- 81.8% (\$2,468,557,791) Education Stabilization Fund  
Must be used for education programs and services
  - Elementary and secondary education for 2010
  - Public institutions of higher education for 2010
- 18.2% (\$549,239,019) Government Services Fund  
Public safety and other government services including other than education purposes
  - 20% Elementary and secondary education
  - 4% Institutions of higher education
  - 76% Other





# ARRA Audit Work

## > Objective:

Adequacy of controls over ARRA expenditures focusing on:

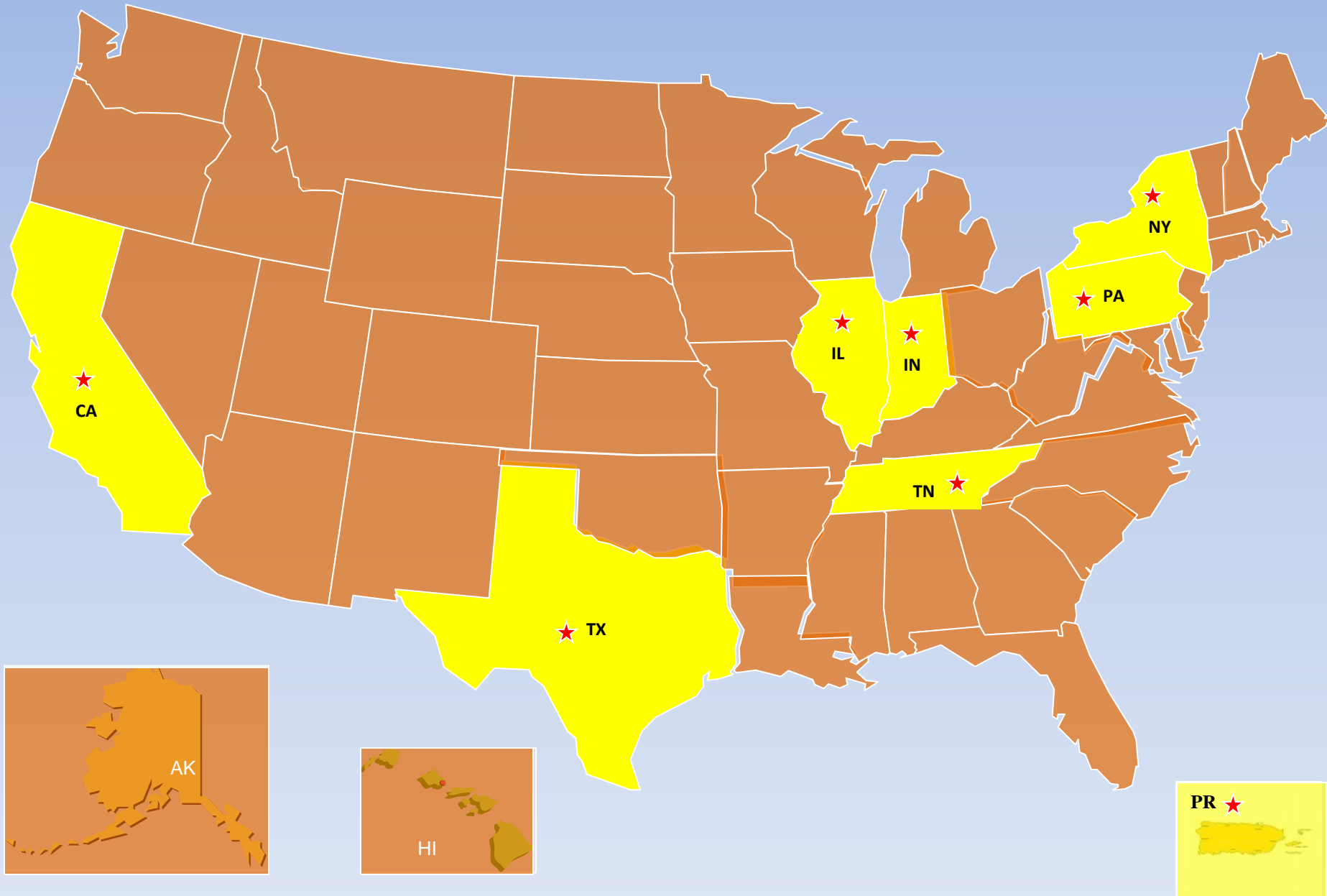
- cash management
- subrecipient monitoring
- data quality



# ARRA Audit Work

- > Phase I is a risk assessment
- > Phase II will include testing of expenditures
- > Worked to be performed in:
  - State Education Departments
  - Governor's Offices (stabilization funds)
  - Local School Districts
  - State Department's of Health (Vocational Rehabilitation Services)

# OIG Review States in Yellow (first round)





# New York School Districts Selected

- ✓ New York City
- ✓ Kiryas Joel Village, Orange County
- ✓ Harborfield Consolidated School District, Suffolk County



# Recent NY School District Audits

- **William Floyd Union Free School District**
- **Wyandanch Union Free School District**
- **Hempstead Union Free School District**



# Recent NY School District Audits

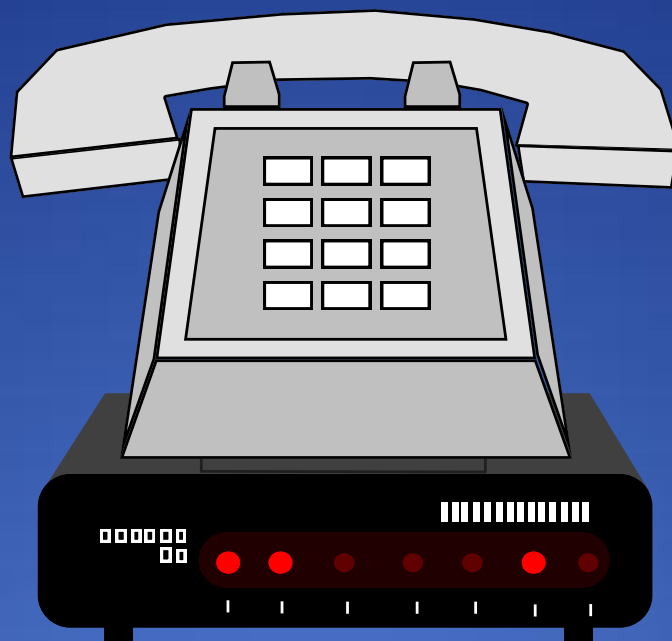
- Unsupported salary and salary-related expenditures
- Unsupported and unallowable non-salary expenditures
- Duplicate Expenditures
- Unreconcilable differences between accounting system and expenditure report to NYSED
- Missing computers and other equipment
- Paying contract invoices without valid or signed contracts
- Late Single Audit Reports/Single Audit Reports not submitted to Federal Audit Clearinghouse
- Insufficient subrecipient monitoring



# Recent Student Financial Aid Audits

- Touro College
  - \$36,026,364 in federal funds disbursed to 4,310 students who attended nine ineligible Touro locations
- Technical Career Institute
  - TCI improperly paid \$440,487 to FFEL lenders to pay off its students' loans and prevent their default
  - Students lost protections under federal program - TCI marked the students' accounts as delinquent and sent the debts to an outside collection agency

# OFFICE OF INSPECTOR GENERAL HOTLINE



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